

Paragraph 2 of the Official Action rejects claims 1-48 as obvious based on U.S. Patent No. 6,497,371 to Kayanakis. The Applicant respectfully traverses the rejection because the Official Action has not made a *prima facie* case of obviousness.

As stated in MPEP §§ 2142-2144.04, to establish a *prima facie* case of obviousness, three basic criteria must be met. First, there must be some reason, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify the reference or to combine reference teachings. Second, there must be a reasonable expectation of success. Finally, the prior art reference (or references when combined) must teach or suggest all the claim limitations. Obviousness can only be established by combining or modifying the teachings of the prior art to produce the claimed invention where there is some reason to do so found either explicitly or implicitly in the references themselves or in the knowledge generally available to one of ordinary skill in the art. "The test for an implicit showing is what the combined teachings, knowledge of one of ordinary skill in the art, and the nature of the problem to be solved as a whole would have suggested to those of ordinary skill in the art." In re Kotzab, 217 F.3d 1365, 1370, 55 USPQ2d 1313, 1317 (Fed. Cir. 2000). See also In re Fine, 837 F.2d 1071, 5 USPQ2d 1596 (Fed. Cir. 1988); In re Jones, 958 F.2d 347, 21 USPQ2d 1941 (Fed. Cir. 1992).

The prior art does not teach or suggest all the features of the independent claims. Independent claims 2 and 47 are directed to an integrated circuit inside (or enfolded in) a film-like article and an antenna outside (or on a surface of) the film-like article; independent claims 5 and 45 are directed to an integrated circuit and an antenna outside (or on a surface of) the film-like article; and independent claim 6 is directed to an antenna inside a film-like article and an integrated circuit outside (or on a surface of) the film-like article. These features are summarized in the following chart:

claim	inside the film-like article	outside the film-like article
2, 47	integrated circuit	antenna
5, 45		integrated circuit + antenna
6	antenna	integrated circuit

For the reasons provided below, Kayanakis does not teach or suggest the above-referenced features of the present invention.

The August 19, 2010 *Advisory Action* ("Advisory Action I") conceded that "Kayanakis does not specifically teach an embodiment in which the antenna is placed outside of the article" (page 4, lines 17-18, Id.). Nonetheless, *Advisory Action I* asserted that "this does not preclude one of ordinary skill in the art modifying the device of Kayanakis such that this would have occurred" (page 4, lines 18-20; Id.).

In response, Applicant's September 29, 2010 *Pre-Appeal Brief Request for Review* argued that an improper legal standard of obviousness was being applied. Instead, based on KSR International Co. v. Teleflex Inc., 550 U.S. 385, 82 USPQ2d 1385 (2007), "there must be some articulated reasoning with some rational underpinning to support the legal conclusion of obviousness."

Now, in the most recent January 19, 2011 *Advisory Action* ("Advisory Action II"), it is alleged that the rationale for modifying teachings of Kayanakis is that

"Kayanakis teaches the module being located in a through hole as seen in figure 2, [i]t would have been obvious that the antenna or circuit would have been readily mounted on or inside the paper, as desired, since one of ordinary skill would have readily mounted the module based on the position of the module relative to the hole."

Applicant respectfully disagrees. Obviousness can be established by combining or modifying the teachings of the prior art to produce the claimed invention where there is some teaching, suggestion or motivation to do so. In re Kahn, 441 F.3d 977, 986, 78 USPQ2d 1329, 1335 (Fed. Cir. 2006). This alleged rationale is conclusory and

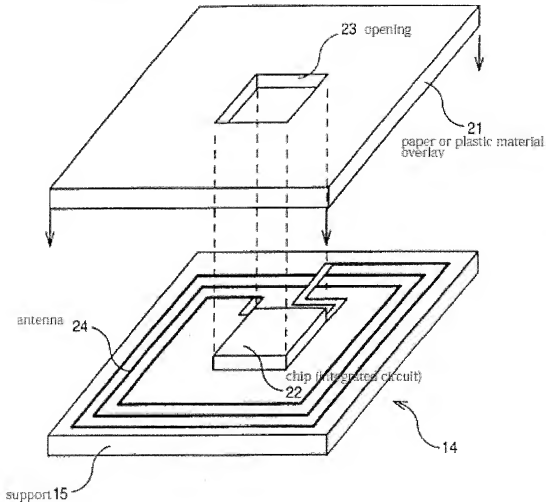
speculative at best. The "mere fact that references can be combined or modified does not render the resultant combination obvious unless the results would have been predictable to one of ordinary skill in the art." See MPEP § 2143.01 and KSR. The Patent Office still has provided no indication of advantage or other rationale for modifying Kayanakis, and fails to address predictability at all.

Rather, the disclosed configuration in Kayanakis merely teaches that the electronic module 14 comprises the integrated circuit 22 and the antenna 24 and then, the electronic module 14 (which is located in a through-hole of the ticket body 12) is sandwiched between the two overlays of protective coating 18 and 20 (see column 2, lines 63-65, column 3, lines 48-51, and column 5, lines 4-6 of Kayanakis). That is, both the integrated circuit 22 and the antenna 24 are taught to be sandwiched between the protective coating overlays 18 and 20. Thus, regardless of the alleged position of the module 14 relative to the through hole, one of ordinary skill in the art would have only been led to provide antenna 14 on an inner surface of the protective coating overlays 18 or 20 while the integrated circuit 22 is still sandwiched between the protective coating overlays 18 and 20. Accordingly, there is no suggestion or rationale in Kayanakis to provide the integrated circuit 22 or the antenna 24 on the outer surface of the protective coating overlays 18 or 20, as alleged.

Furthermore, as illustrated below in FIG. 4 of Kayanakis, the reason why the opening 23 is provided in the paper 21 is to provide a flat surface of the paper 21 by inserting the sandwiched chip 22 in the opening 23, such that the thickness of the module is practically constant and a depression around the chip can be avoided when the coating layer is applied (see column 3, lines 48-62 of Kayanakis). Therefore, Kayanakis does not intend to separate the chip 22 and the antenna 24 from the disclosure of the specification and the figure, but instead provides reasons and advantages to providing the sandwiched chip and antenna in a through hole between the protective overlays 18 and 20. As stated in MPEP § 2143.01, Part VI, if a proposed modification would change the principle of operation of the prior art invention being

modified then the teachings are not sufficient to render the claims *prima facie* obvious. The alleged modifications would thus appear to frustrate the above intended purpose of Kayanakis and change the principle of operation of Kayanakis.

[Fig. 4 of Kayanakis]



Therefore, the Applicant respectfully submits that the Patent Office has not provided a clear rationale, either from the reference itself or in the knowledge generally available to one of ordinary skill in the art, to support modifying teachings of Kayanakis to achieve the claimed invention, and has failed to address the predictability of such modifications.

Because Kayanakis does not teach or suggest all the claim limitations, a *prima facie* case of obviousness cannot be maintained with respect to independent claims 2, 5, 6, 45 and 47. Therefore, Applicant believes the rejection of claims 2, 5, 6, 45 and 47 and claims dependent therefrom is not proper.

Accordingly, reconsideration and withdrawal of the rejection under 35 U.S.C. § 103(a) are in order and respectfully requested.

Should the Examiner believe that anything further would be desirable to place this application in better condition for allowance, the Examiner is invited to contact the undersigned at the telephone number listed below.

The Commissioner is hereby authorized to charge fees under 37 C.F.R. §§ 1.16, 1.17, 1.20(a), 1.20(b), 1.20(c), and 1.20(d) (except the Issue Fee) which may be required now or hereafter, or credit any overpayment to Deposit Account No. 50-2280.

Respectfully submitted,



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Eric J. Robinson  
Reg. No. 38,285

Robinson Intellectual Property Law Office, P.C.  
3975 Fair Ridge Drive  
Suite 20 North  
Fairfax, Virginia 22033  
(571) 434-6789